

TEACHERS' RETIREMENT BOARD
BUDGETS AND AUDITS COMMITTEE

SUBJECT: Approval of Minutes of November 4, 1999 Meeting

ITEM NUMBER: 2

ATTACHMENT(S): 1

ACTION: X

DATE OF MEETING: February 3, 2000

INFORMATION: _____

PRESENTER(S): Chairperson

Please see the attached minutes of the November 4, 1999, Budgets and Audits Committee meeting.

PROPOSED
MINUTES OF THE
BUDGETS AND AUDITS COMMITTEE
OF THE
TEACHERS' RETIREMENT BOARD
THURSDAY, NOVEMBER 4, 1999
THIRD FLOOR, ROBYN D. MILLER BOARD ROOM
7667 FOLSOM BOULEVARD
SACRAMENTO, CALIFORNIA

COMMITTEE MEMBERS PRESENT

George Fenimore, Chairperson
Yvonne Gallegos Bodle
Lillian Raffel
Emma Zink
Kathleen Connell, State Controller
Eileen Park, representing the State Treasurer, Philip Angelides
Annette Porini, representing the Director of Finance, Timothy Gage

OTHER BOARD MEMBERS PRESENT

Marty Mathiesen
Gary Lynes

STAFF PRESENT

James D. Mosman, Chief Executive Officer
Christopher Waddell, Chief Counsel
Peggy Plett, DCEO, Administration
Laurence Martin, DCEO, Information and Financial Systems
Way Lee, Director, Office of Audits
Mary Miles, Administrative Assistant

OTHERS PRESENT

Mick Friend, PricewaterhouseCoopers L.L.P.
Don Wen, PricewaterhouseCoopers L.L.P.
Ellen Logue, CTA-R
Lynne Foulks, CTA
Dorothy Moser, UTLA-R
Lois Shive, CTA
Beverly Carlson, CTA
Al Reyes, UTLA-R

A quorum being present, Chairperson Fenimore called the meeting to order at 8:02 a.m.

II. **APPROVAL OF MINUTES OF OCTOBER 14, 1999 MEETING**

MOTION duly made by Ms. Porini, seconded by Ms. Raffel, and carried to approve the Minutes of the October 14, 1999 meeting.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **AUDITS OF COMBINED FINANCIAL STATEMENTS AS OF JUNE 30, 1999, AND FOR THE YEAR THEN ENDED - STATE TEACHERS' RETIREMENT PLAN, CASH BALANCE PLAN, AND 403(B)**

Mr. Friend and Mr. Wen, representing PricewaterhouseCoopers, provided highlights of the report. Mr. Wen reported that the System received an unqualified opinion this year and that the format had changed due to requirements by the Government Accounting Standards Board. Mr. Wen reported that the Plan had increased by \$15 billion from last year due to the market performance and current year contributions.

MOTION duly made by Ms. Zink, seconded by Ms. Porini, and carried to approve the Audits of Combined Financial Statements as of June 30, 1999, and for the Year Then Ended - State Teachers' Retirement Plan, Cash Balance Plan, and 403(b).

V. **PRICEWATERHOUSECOOPERS REPORT TO MANAGEMENT FOR THE YEAR ENDED JUNE 30, 1999**

Mr. Friend and Mr. Wen, representing PricewaterhouseCoopers, reported that there were no changes in the System's significant accounting policies and no major audit adjustments. Two recommendations were made to management on remote access and the centralized security structure. Ms. Zink requested that an update be provided on the status of the two recommendations.

MOTION duly made by Dr. Connell, seconded by Dr. Bodle, and carried to approve the Report to Management for the Year Ended June 30, 1999.

VI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were none.

VII. **ADJOURNMENT**

Chairperson Fenimore adjourned the Committee meeting at 8:35 a.m.

James D. Mosman, Chief Executive Officer
and Secretary to the Teachers' Retirement Board

George Fenimore, Chairperson